

Message Text

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TAGS: EFIN, EAID, UNWFC, OCON

SUBJ: INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD),

OECD/DAC CONSULTATIVE GROUP MEETING JANUARY 14.

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SUMMARY: OECD/DAC CONSULTATIVE GROUP MET ON JANUARY 14 TO EXCHANGE VIEWS ON IFAD POSITIONS. DISCUSSION BASED ON U.S. POSITION DEPTTEL 300294 AND SHOWED GENERAL AGREEMENT ON THESE POINTS IN PRINCIPLE BUT A LACK OF CONSENSUS ON FALL-BACK POSITIONS DEEMED NECESSARY TO MEET GROUP OF 77 ARGUMENTS. GREAT STRESS LAID ON GREATER COMPREHENSION OF ISSUES AND FURTHER COORDINATION AT NEXT OECD/DAC MEETING JANUARY 27. END SUMMARY.

1. DISCUSSION OF IFAD PREPARATIONS FOLLOWED U.S. PAPER ON PRINCIPAL ISSUES AND STARTED WITH QUESTION OF WEIGHTED VOTING. CANADA LED OFF BY SHIFTING DISCUSSION TO MORE BROAD ISSUE OF SELF-DETERMINATION. CANADA BELIEVES EACH OF THREE GROUPS IN IFAD (DC DONORS GROUP I, OPEC DONORS - GROUP II, AND REST OF THE WORLD - GROUP III) SHOULD EACH DETERMINE ITS OWN VOTING MECHANISM. US, UK, FRG AND SWITZERLAND ALL SUPPORTED THIS APPROACH. OTHER COUNTRIES WERE SILENT EXCEPT NEW ZEALAND, AUSTRALIA AND SWEDEN WHO SUPPORTED SELF-DETERMINATION PROVIDED REPEAT PROVIDED EACH OF THREE GROUPS IN IFAD AGREED TO SELF-DETERMINATION.

2. DISCUSSION THEN BECAME MORE CONFUSED AS SWISS ARGUED THAT THERE WAS AGREEMENT ON WEIGHTED VOTING IN IFAD COUNCIL, AND PROBLEM ONLY AROSE IN APPLYING IT TO EXECUTIVE BOARD. AUSTRALIA INSISTED THAT SAME VOTING SYSTEM APPLY IN COUNCIL AND EXECUTIVE BOARD. SWEDEN RAISED THREE QUESTIONS ON SELF-DETERMINATION; FIRST, METHOD OF SELF-DETERMINATION; SECOND, METHOD OF WEIGHTED VOTING INFLUENCED PEOPLES DECISION ON SELF-DETERMINATION; AND THIRD, ITS APPLICATION TO THE COUNCIL AND THE BOARD. THE DISTRIBUTION OF POSTS IN THE EXECUTIVE BOARD CONFUSED WEIGHTED VOTING THERE.

3. UPSHOT WAS CONSENSUS TO URGE SELF-DETERMINATION AND IF ASKED CITE GROUP I'S SEVENTEEN AND ONE-HALF PERCENT WEIGHTED VOTING FORMULA. HOWEVER, THIS POSITION WILL NOT LAST AGAINST DETERMINED OPPOSITION BY GROUPS 2 AND 3. MEETING ALSO AGREED KEY TO LIMITED OFFICIAL USE

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AGREEMENT ON SELF-DETERMINATION LAY IN OBTAINING GROUP II'S SUPPORT FOR WEIGHTED VOTING.

4. FINALLY, UK SUBMITTED TWO DRAFTS FOR DISTRIBUTION OF VOTES UNDER SEVENTEEN AND ONE-HALF PERCENT WEIGHTED VOTING SYSTEM AND ELECTION OF MEMBERS TO EXECUTIVE BOARD (SEPTTEL) WHICH THEY REQUESTED OECD/DAC MEMBER STATES BE PREPARED TO DISCUSS AT JANUARY 27 CONSULTATIONS.

5. NEXT ITEM ON DUTCH CHAIRMAN TUINMAN'S AGENDA WAS QUORUM. DISCUSSION WAS BRIEF WITH UK POINTING OUT LANGUAGE SETTING FORTH QUORUM OF 1/3 OF EACH GROUP WAS UNBRACKETED AND SO AGREED. SWISS WOULD HAVE PREFERRED 1/2 BUT COULD ACCEPT 1/3. SWEDES THOUGHT THAT QUORUM MIGHT BE PART OF PACKAGE COMPROMISE INCLUDING SELF-DETERMINATION AND WEIGHTED VOTING.

6. THIRD ITEM WAS LIST OF EXCEPTIONS TO SIMPLE MAJORITY VOTE. ISSUE COMPLICATED BY LACK OF LIST OF CONTACT GROUP'S EXCEPTIONS. ALL COUNTRIES SPEAKING, SWEDES, SWISS, UK, CANADA, FRG, NETHERLANDS AND AUSTRALIA BELIEVED LIST OF EXCEPTIONS TOO LONG, SEE IFAD/CRP 9/ REV. 1 OF OCTOBER 31, 1975, PARA 2III, PAGE2. SEVERAL COMMENTED THAT SOME OTHER PROVISIONS IN AGREEMENT (E.G., ARTICLE 6, PARA. 2-3), MADE CERTAIN EXCEPTIONS UNNECESSARY. BELGIUM LISTED EXCEPTIONS I, IV, V AND X AS BEING UNNECESSARY GIVEN OTHER PROTECTION. HOWEVER, AUSTRALIANS LISTED SAME ITEMS AS ESSENTIAL. SWISS COULD DELETE ITEMS I AND II, BUT CONSIDERS REST ESSENTIAL. UK IS GOING TO DISTRIBUTE ITS LIST OF ESSENTIAL EXCEPTIONS AND MEETING URGED OTHER PARTIES TO DO THE SAME. TOPIC SHOULD BE HANDLED BY LAWYERS SINCE EXCEPTIONS APPEAR THROUGHOUT DRAFT AND AFFECT MANY PARAGRAPHS. ITEM SHOULD BE CONSIDERED BY GROUP I JANUARY 27 WITH A FINITE LIST PREPARED WHICH, IF SHORTER, WOULD FACILITATE NEGOTIATIONS.

7. FOURTH ITEM SAW NO DISSENTS FROM CONTACT GROUP WORDING ON RESTRICTION OF IFAD LENDING THROUGH INTERNATIONAL ORGANIZATIONS. CANADA, UK AND SWEDEN ALL STRONG ON THIS POINT. DISCUSSION POINTED OUT CONFUSION ON MEANING OF THIS PARAGRAPH. GROUP OF 77 INTERPRET IT TO BE AGAINST USE OF NATIONAL INSTITUTIONS AT ANY TIME. THIS IS NOT SENSE OF PARAGRAPH WHICH ONLY WANTS TO ASSURE CAREFUL MONITORING WITHOUT BUILDUP OF IFAD STAFF. UK, FRG AND SWITZERLAND WILL DRAFT SOME EXPLANATORY LANGUAGE FOR LIMITED OFFICIAL USE

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CONSIDERATION BY OECD/DAC GROUP. IN ADDITION, UK WILL APPROACH INDIA AND PAKISTAN IN ROME, ON GENERAL ISSUE OF NATIONAL INSTITUTIONS.

8. ITEM FIVE WAS STATUS OF CONTRIBUTIONS. TUINMAN SAID HANNAH HAD NO NEW NEWS TO REPORT. WORLD FOOD COUNCIL PRESIDENT MAREI VISITED SAUDI ARABIA AND IRAN AND RECEIVED FAVORABLE NOISES ON IFAD BUT NO FIGURES. OPEC MEETING WOULD BE CRITICAL FOR GROUP II CONTRIBUTION. SWEDEN ANNOUNCED IT HAD BUDGETED ABOUT 25 MILLION DOLLARS SUBJECT TO ROUGH PARITY OF GROUP I AND II CONTRIBUTIONS AND TOTAL CONTRIBUTION AROUND 1 BILLION DOLLARS. SWISS AND CANADIANS SEEK GOAL OF 1 BILLION DOLLARS. UK AGREES BUT HAS NO MINIMUM AMOUNT IN MIND. PARITY IS ESSENTIAL. AUSTRALIANS SET MINIMUM FOR STARTING IFAD AT 750 SDRS, WHILE FRG SETS MINIMUM TARGET AT ONE BILLION DOLLARS AND GOAD AT ONE BILLION SDRS.

CANADA ALSO TALKED IN TERMS OF MINIMUM TARGET NEAR 1 BILLION DOLLARS. U.S. REFERRED TO ITS LEGISLATION EMPHASIZING PARITY AND OUR CONTRIBUTION MIGHT BE REDUCED IF 1 BILLION DOLLAR GOAL NOT REACHED. GROUP AGREED CLARIFICATION OF MINIMUM CONTRIBUTION TO START IFAD AND IF INDICATED CONTRIBUTIONS ARE REDUCED AS TOTAL CONTRIBUTIONS DROP BELOW ONE BILLION DOLLARS ARE IMPORTANT NEGOTIATING ISSUES.

9. FINALLY, ISSUES RAISED BUT NOT DISCUSSED WERE WHAT HAPPENS TO IFAD AFTER TWO YEARS WHEN NEW CONTRIBUTIONS NEEDED, QUESTION OF PROPORTION OF LOANS AND GRANTS, AND WORDING OF ARTICLE 4 AND MINIMUM CONTRIBUTIONS.

10. NORWAY DID NOT ATTEND MEETING AND FRENCH AND JAPANESE REGULAR REPRESENTATIVES TO FAO WERE ABSENT.VOLPE

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